

## Message Text

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ORIGIN EB-08

INFO OCT-01 NEA-10 ISO-00 SIG-02 MMO-04 SOE-01 AID-05  
CEA-01 CIAE-00 COME-00 DODE-00 DOE-12 H-02 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15  
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-02  
PRS-01 AF-10 ARA-14 EA-12 EUR-12 IO-14 /193 R

DRAFTED BY EB/ORF/FSE:JCTODD:CJR

APPROVED BY EB/ORF/FSE:RRMARTIN

EB/ORF:SWBOSWORTH

-----129425 222357Z /62

P 222354Z DEC 77

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS PRIORITY

AMCONSUL DHAHRAN PRIORITY

UNCLAS STATE 305543

E.O. 11652: N/A

TAGS: ENRG

SUBJECT: DEPT. STATEMENT ON OPEC PRICE FREEZE

1. STATE DEPARTMENT SPOKESMAN HODDING CARTER III MADE FOLLOWING STATEMENT AT NOON BRIEFING DECEMBER 2,:  
QUOTE: WE ARE PLEASED THAT OPEC OIL PRICES APPARENTLY WILL NOT BE INCREASED THE NEXT SIX MONTHS, AND THAT LEADERS OF A NUMBER OF OIL-PRODUCING COUNTRIES OPPOSE ANY PRICE INCREASE THROUGH AT LEAST THE FULL YEAR 1978. WE SHARE THEIR CONVICTION THAT ANY PRICE INCREASE WOULD BE DAMAGING TO INTERNATIONAL FINANCIAL MARKETS AND THE WORLD ECONOMY AND WOULD AGGRAVATE THE ALREADY DIFFICULT ECONOMIC SITUATION OF MANY DEVELOPING COUNTRIES. THE REALITIES OF GLOBAL INTERDEPENDENCE ARE SUCH THAT THESE DIFFICULTIES WOULD AFFECT ADVERSELY THEIR OWN ECONOMIES.  
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WE TRUST THAT THIS CONVICTION WILL ULTIMATELY BE TRANSLATED INTO A DECISION TO FREEZE OPEC OIL PRICES AT LEAST THROUGHOUT 1978. THE OPEC DECISION TO MAINTAIN STABLE OIL PRICES WILL HELP IN OUR EFFORTS TO SUSTAIN OUR ECONOMIC EXPANSION AND REDUCE INFLATION. FOR OUR PART, THE UNITED STATES MUST PRESS AHEAD WITH THE ENACTMENT OF A STRONG DOMESTIC ENERGY PROGRAM. UNQUOTE

2. FOLLOWING EXCHANGE OCCURRED AFTER THE STATEMENT:  
QUOTE QUESTION: THE FACT THAT SAUDI ARABIA AND IRAN LED  
THE FIGHT FOR THE FREEZE AT THE MEETING, DOES THE  
ADMINISTRATION TAKE SOME CREDIT FOR HAVING CONVINCED  
THEM TO TAKE THE STAND AND SINCE THE SHAH ANNOUNCED  
HERE THAT HE WAS GOING TO FAVOR A FREEZE?

ANSWER: OUR POSITION HAS BEEN WELL KNOWN. WE BELIEVE  
THAT BOTH COUNTRIES TOOK THAT POSITION AS WHAT THEY  
CLEARLY FELT TO BE IN THE INTEREST OF BOTH THEIR OWN  
NATIONS AND OF THE WORLD ECONOMY.

QUESTION: A TECHNICAL QUESTION, HODDING: WHEN DO YOU  
EXPECT THE OPEC COUNTRIES WOULD MAKE THIS A PERMANENT  
FREEZE, OR RATHER A FREEZE FOR NEXT YEAR, BECAUSE THEY  
BROKE UP IN INDECISIONS, AS FAR AS ONE COULD SEE.

ANSWER: OF COURSE, THE NET EFFECT IS, AS I HAVE SAID,  
THEY WILL BE MEETING AGAIN, AND I SUPPOSE AT THAT TIME,  
THEY WILL TAKE THE MATTER UNDER CONSIDERATION AGAIN.

QUESTION: ARE YOU REFERRING TO THE NEXT MEETING IN JUNE?

ANSWER: YES. END QUOTE

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3. FYI PRESIDENT CARTER ALSO COMMENTED ON OPEC PRICE  
FREEZE IN PLAINS. TEXT OF HIS REMARKS NOT YET AVAILABLE.  
END FYI. VANCE

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## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** PRICES  
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**Drafter:** JCTODD:CJR  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Classification:** UNCLASSIFIED  
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**Status:** NATIVE  
**Subject:** DEPT. STATEMENT ON OPEC PRICE FREEZE  
**TAGS:** ENRG  
**To:** ALL POSTS DHAHRAN  
**Type:** TE  
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**Review Markings:**  
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